

**CHAPTER NO. 181****HOUSE BILL NO. 718****By Representative Vincent****Substituted for: Senate Bill No. 749****By Senator Crutchfield**

AN ACT to amend Tennessee Code Annotated, Title 7, relative to charitable contributions by and to utility systems.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 7-34-115, is amended by adding the following new subsection (i) as follows:

(i)

(1) In addition to the authority granted under otherwise applicable law, a municipality operating a municipal utility system has the power and is authorized, acting through the authorization of the board or supervisory body having responsibility for the municipal utility system, to accept and distribute voluntary contributions for bona fide charitable purposes pursuant to programs approved by the board or supervisory body, which programs may include, but shall not be limited to, programs in which utility bills are rounded up to the next dollar when such contribution is shown as a separate line on the utility bill.

(2) Contributions accepted by a municipal utility system pursuant to programs authorized by subsection (i)(1) shall not be considered revenue to the municipal utility system, and such contributions shall be used only for charitable purposes.

(3) For purposes of this subsection (i), a "charitable purpose" is one that provides relief to the poor or underprivileged, advances education or science, addresses community deterioration, provides community assistance, assists in economic development, provides for the erection of public buildings, monuments or works, assists in historic preservation, or promotes social welfare through nonprofit or governmental organizations designed to accomplish any of the foregoing purposes.

SECTION 2. Tennessee Code Annotated, Section 7-82-304, is amended by adding the following new subdivision (13) as follows:

(13)

(A) In addition to the authority granted under otherwise applicable law, a utility district created under the provisions of this chapter or any private act of the general assembly upon the adoption of a resolution by its board of commissioners has the power to accept and distribute voluntary contributions for

bona fide charitable purposes pursuant to programs approved by the board of commissioners, which programs may include, but shall not be limited to, programs in which utility bills are rounded up to the next dollar when such contribution is shown as a separate line on the utility bill.

(B) Contributions accepted by a utility district pursuant to programs authorized by subdivision (13)(A) shall not be considered revenue to the utility district, and such contributions shall be used only for charitable purposes.

(C) For purposes of this subdivision (13), a "charitable purpose" is one that provides relief to the poor or underprivileged, advances education or science, addresses community deterioration, provides community assistance, assists in economic development, provides for the erection of public buildings, monuments or works, assists in historic preservation, or promotes social welfare through nonprofit or governmental organizations designed to accomplish any of the foregoing purposes.

SECTION 3. If any provision of this act or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to that end the provisions of this act are declared to be severable.

SECTION 4. This act shall take effect upon becoming a law, the public welfare requiring it.

**PASSED: May 8, 2003**

  
JIMMY NAIFEH, SPEAKER  
HOUSE OF REPRESENTATIVES

  
JOHN S. WILDER  
SPEAKER OF THE SENATE

**APPROVED this 22<sup>nd</sup> day of May 2003**

  
PHIL BREDESEN, GOVERNOR